



Idaho Public Utilities Commission

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C.L. Butch Otter, Governor

Paul Kjellander, Commissioner
Mack A. Redford, Commissioner
Marsha H. Smith, Commissioner

Case No. UWI-W-14-01, Order No. 33195

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www.puc.idaho.gov

Commission OKs United Water Idaho application to take over Brian Water's domestic water system

BOISE (Dec. 22, 2014) – Residents of the Brian Subdivision just east of Boise will soon be customers of United Water Idaho.

The current water system is owned by the not-for-profit association of homeowners, the Brian Subdivision Water Users Association, whose board sought the connection to United Water when it determined that other alternatives to resolve issues with high nitrate levels would not be approved by the Idaho Department of Environmental Quality.

Brian Water serves 46 customers along Warm Springs Avenue near the intersection of U.S. Highway 21 just east of the Boise city limits. United Water Idaho provides service to about 85,000 customers in the Boise metropolitan area.

IDEQ disapproved the Brian Water system in 2011 because nitrate levels exceeded the maximum allowable contaminant level.

“Our board has worked long and hard to identify appropriate methods to eliminate nitrate contamination from our water and has concluded the only reliable and cost-effective way is to connect to United Water’s distribution system,” the Brian Water board said in a statement to the commission.

The estimated \$1.35 million project will include extending United Water pipelines and replacing existing meters and service lines for the 46 homes. The commission approved a payment method proposed by both Brian Water and United Water that has Brian Water customers paying for 10 percent of the main pipeline costs (\$120,000) and all of the costs for service line and meter replacement (\$125,000). Brian Water customers will pay a surcharge of about \$125 every two months for 10 years. Customers may choose at any time to pay the surcharge with a one-time payment.

Ninety percent of the pipeline extension costs plus Allowance for Funds Using During Construction (AFUDC) and a return on investment would be deferred for proposed recovery in rates from all United Water customers until the company's next general rate case. Commission staff estimates that once the project is included in base rates, United Water customers would see about a \$2.16 per year increase in rates.

The commission said it recognizes the financial burden the transaction will place on Brian Water customers and asked United Water to provide the commission with reports detailing any arrearages and the status of payments plans that may exist for customers.

United Water will extend the water main from the south side of the Boise River and New York Canal (the Highway 21 River Crossing). That option was preferable to alternatives, which included extending the main down Warm Springs Avenue. The preferred alternative adds a direct water supply connection to the Barber Valley's highest growth area and reduces stress on the Federal Way pipeline, eliminating the need for a new booster station and auxiliary power generator. Further, this option improves service and reliability to 7,000 Barber Valley customers.

United Water will soon begin to bore under the New York Canal to allow sufficient time before the spring irrigation season and, depending on the success of that effort, hopes to have the project completed by mid-2015.

IDEQ and the Boise Fire Department submitted comments in favor of the application. IDEQ noted that excessive nitrate levels pose serious health risks. In infants, nitrates can cause methemoglobinemia or "baby blue syndrome." In the recent past, Brian Water has had to routinely notify its customers not to drink the water or use it to make baby formula.

The Boise Fire Department noted the subdivision currently lacks fire hydrants, placing residents and their property in jeopardy. United Water will install four hydrants in the subdivision.

The commission's final order, along with other documents related to this case, is available on the commission's Website at www.puc.idaho.gov. Click on "Open Cases" under the "Water" heading and scroll down to Case No. UWI-W-14-01.

Interested parties may petition the commission for reconsideration by no later than Jan. 7, 2015. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.

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